CONTRIBUTION TO THE DISCUSSION ON NATIONALISM

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(All bold emphases by the web editor.)

1. The current debate on nationalism is crucial to our assessment of the major features of the coming Canadian revolution. It will affect our ability to forecast developments, to identify peculiarities in the process of the radicalization in Canada, to grab onto levers which give us an opening to explain our politics and to clearly present our strategy for revolution. We are dealing with nothing less than the contours through which the major contradictions between capital and labour will unfold in this country.

2. My study leads me to the following conclusions: that the Canadian ruling class as a whole is integrated with the American bourgeoisie; that the Canadian state mirrors that relationship; that arising from the objective and subjective ramifications of American imperialism in Canada we may expect the radicalization to reflect sentiments of a nationalist Character with an anti-imperialist edge to it; that the task of the vanguard is to validate the widespread perceptions of the Canadian people that Canada is integrated into the American empire, thereupon to lead these perceptions forward to socialism and internationalism.

3. The relation of the Canadian to the American bourgeoisie is deeply rooted in Canadian history. The historic imperial nature of the Canadian economy provides the best framework for a Marxist analysis of Canadian history, despite its frequent misapplication by conservatives like Creighton, who use it to sing praises to John A. MacDonald (i.e. *Canada's First Century*). or by radicals like R.T. Naylor (c.f. *[compare]* Gary Teeple, *Capitalism and the National Question in Canada*) or P. Warrian (*Staples, Structures and the State,* a CUS publication) who have been led away from the recognition of mature Canadian capitalist class.

That is to say, it is easiest to see the contours of Canadian economic growth through a series of transferred, metropolitan allegiances from an economy selling fur to France to an economy selling wheat and timber to Britain to an economy interlinked with American capitalism. This should not be translated to mean that Canada has been dominated by a commercial, mercantile or comprador bourgeoisie.

On the contrary, especially since the 1870s and 1880s, it is crucial to see a mature "healthy" capitalist class, with a strong industrial component, in the process of merging its interests with foreign capitalism. Far from never having existed, or having "sold out" in some moralistic sense, it is this mature capitalist class and especially its industrial component, which is largely responsible for the penetration of American capital today.

The Canadian merchant class, which dominated Canadian politics and society to 1840, sold fur and later other primary products to London. This class depended for its exis tence on a protected junior partner relationship with British capitalism which allowed it to sell its products at a favorable price. Shook to its roots in the 1840s with successive revisions to the Corn Act, this parasitic class panicked and even contemplated annexation with the United States in the famous Annexation Manifesto of 1848.

Thereafter the major options, for Canadian capitalism were seen in terms of a protected or integrated continentalism. Confederation was testimony to the desire of the

still predominately merchant capitalist class to build an independent, competing economy in North America partially based on internal trade but largely conceived in terms of an economy capable of securing North American staples for sale in Europe. The state was designed to exude sufficient confidence to attract the British capital necessary for transportation improvements which would secure that trade.

Following the depression of the 1870s, reeling from American competition, Canadian industrialists began to more forcefully assert their weight within the capitalist class. Together with the fiscal crisis of the Canadian state apparatus, this led to a '"National Policy" of tariffs, railways, and later immigration founded on hopes of a harmonious, self-sufficient internal trade.

Ironically the tariff helped seal the fate for a bourgeoisie which in reality had no historic options outside of continental integration. The effect of the tariff, forecast by its proponents, was a rise in American direct investment in Canada as the means for jumping over tariff barriers to the Canadian market. Hereafter the fate of the Canadian bourgeoisie was hermetically sealed. The Canadian bourgeoisie could not exist in free trade competition with the American bourgeoisie. Yet tariff protection invited them into Canada. (On, this point, c.f. article,by Bliss in I. Lumsden, *Close the 49th Parallel.)*

This strategy of economic development was challenged by primary producers (farmers, lumber interests, etc.) but the stormy elections of 1891 and 1911 saw the National Policy strategy win out. The bourgeoisie split only on questions of continental free trade in primary products and primary service products, that is to say of Canadian control of the Canadian market, not on the question of continentalism. Following the 1911 election the bourgeoisie agreed to settle tariff disputes more quietly through government tariff boards. The bourgeoisie as a whole made its peace with the tariff: that is to say it made its peace with the major instrument for sucking in American capital. Verily did the famous political economist Harold Innis write: "American branch factories established under the protection of the Canadian tariff and the advantages of Imperial Preference have strong vested interests in Canadian nationalism and imperial connection".

In the twentieth century another source of American investment became apparent: the search for resources. American newspapers began purchasing pulp and paper interests intensifying the previous century's lust for Canadian wood. At the invitation of the Canadian government, Americans and others moved into other forms of resource exploitation. Because of American or European imperialist control of the markets for these products, the Canadian bourgeoisie and state were unable to offer alternatives. The most that governments were able to do, as in the case of lumber, was to insist on processing here in Canada -- a "concession" American capitalists were willing to make when locational advantage was apparent. In major cases of conflict, American capitalists still came out the winners. (The bibliography for this section is the result of a two year study of Canadian economic history, and is too lengthy and obscure to be reproduced here. The best introductions are O.D. McDiarmid, *Canadian Commercial Policy,* and Viv. Nelles, *The Politics of Development,* PhD., U of T, 1971, a selection from which is in a recent anthology on *Ontario In The Age of Sir Oliver Mowat* and H. Marshall, *Canadian-American Industry*.)

Since World War II the "American takeover" of Canada has intensified from a molecular to a massive process, so much so as to be qualitative. This has taken place under the auspices of the so-called multi-national corporation, the new form of imperialist predominantly American, world exploitation. Watkins *(Mel,*

leading economist of the Waffle group --ed.) **has defined this form of direct investment as "a package of product, technology, management and market access, as well as capital. The components of this package are transferred not through the market place, but within the corporation from the parent to the subsidiary. The vehicle of direct investment is the multi-national corporation" (*Gordon to Watkins to You*, p. 66)** *(emphasis by the web editors.)*

Rotstein has commented on its power: "It is estimated that the total prouction of these corporations outside of their home countries already exceeded $300 billions in 1968, a figure considerably larger than the whole of non-communist world trade in that year. The foreign production of these corporations alone, now forms in aggregate, the third largest economy in the world, following only the domestic economies of the United States and the Soviet Union *(now Russia).* Since the majority of these are American multinational corporations, at least one authority, Professor Jack Behrman, estimates that the total share of non-communist world production under American control is expected to rise from the 55% of the mid-sixties, to 64% by 1980 and 86% by 1990." (A. Rotstein ed. *Independence, The Canadian Challenge*; p. 29)

Of course it is euphemistic and formally incorrect to refer to the Canadian economy as being dominated by multi-national corporations. The Canadian economy is dominated by U.S. imperialism. This imperialism takes the organizational form of the multi-national corporation, a form which is replacing the market as the method of international exchange and which belongs as much to the reality of industrial organization as it does to international capital movements. These American firms with trans-national organizational structures have been facing competition with European and Japanese capitalism, competition which threatens the above cited vision of Jack Behrman. For a variety of reasons, there are limits to the capacity of U.S. imperialism to respond to this threat by means of protective tariffs. Their major response will take the form of intensified controls over bailiwicks where it already has hegemony and is threatened with loss of relative position and hegemony. Thus the likely result of intensified world inter-imperialist rivalry will be an intensified penetration of Canada by U.S. imperialism. (On these points, see especially the articles by S. Hymer in the anthologies G. Paquet, *The Multinational Firm and The Nation State;* C.P. Kindleberger, *The International Corporation*.)

"Multinational corporations", already directly or indirectly control the commanding heights of the Canadian economy. The alarmist literature on this is enormous. **But certainly the claim of the Economic Council of Canada in 1969 that "no advanced economy has as high a degree of foreign control of its industry as has Canada" is warranted. A quick sketch of recent figures would go something like this:**

1967 -- "56.7% of the assets of all manufacturing corporations which filed 1967 income tax returns were in corporations in which the majority of voting shares were owned by non-residents. The comparable percentages for the oil and gas wells industry, was 82.6%, petroleum refining, 99.9%; metal mining industries, 42%; mining corporations, 60.6% primary metaIs, 55.6% (the smelting and refining component; of which was 84.9%)[1] (Litvak, Maule, Robinson, *Dual Loyalty*, p. 10).

1968 — "Foreign ownership of Canadian industry made further gains in 1968, the latest report of CALURA *(Corporation and Labour Unions Returns Act, Division of Statistics Canada 1971)* shows.

"The Value of assets in all corporations with at least 50% foreign ownership was $50,766 million. This was 13.3% higher than a year earlier and was up 71% in the past five years.

"These essentially foreign owned firms, with 26.8% of Canada's total corporate assets, made 34.7% of total corporate sales and earned 42.4% of total taxable corporate income". (Gene Fleet In Rotstein, op. cit., p. 20; also *Globe and Mail*, February 10, 1971.)

1969 – "At the end of 1969, foreign investment in Canada is estimated at book value by the Dominion Bureau of Statistics to be $46 billion, up from $40.2 billion a year earlier. Long term investment (at book value) equals $41 billion of which about 80% is American owned. This exceeds the total of U.S. direct investment in Europe and also the total U.S. investment in Central and South America." (Rotstein in Ibid., p.30)

Figures for 1970-72 have not been established with equal accuracy as the above. But all reports, with the exception of the Political Committee of the LSA, are united in finding the increases "staggering". The jump for 1971 is estimated at ($)1.24 billion. **Even more important, the figures for these years conclusively yield evidence that the U.S. takeover is being financed by Canadian funds** *(emphasis by the author).* "A United States government economist who took a survey of U.S. subsidiary companies' operations in Canada, today said (that) New Democratic Party leader T.C. Douglas was probably right when he said that 94 percent of U.S. subsidiaries' investment in Canada is effected with Canadian funds. Today, Belli (the U.S. Department of Commerce economist) said in an interview that by a series of statistical deductions from charts he used in his survey, "a figure of something like 94 percent could be arrived at" (*Star,* January 20, 1971, p. 40. This is substantiated by a later report cited in *Star*, November 4, 1972).

American imperialist domination of high technology, high growth industries is well known, especially in resources and manufacturing. Their control over service industries and processing is also enormous. Their control over the reins of the economy is unhampered by the fact that Canadian personnel dominate the largest banking concerns. At most this is a secondary question. Their Boards of Directors interlock with American industrial corporations. This process is likely to intensify as American government policy continues to urge subsidiaries to borrow from abroad to ease the U.S. monetary crisis. "Foreign owned companies have been reducing their need for funds from parent companies and relying more heavily on internally generated funds and borrowings in the Canadian market to finance their activities," *The Star* reported (article by David Crane, date lost due to faulty filing; c.f. also Mandel, *Decline of the Dollar*). **In this context the banks are not playing an independent strategic role as decisive directors of the patterns of investment but are playing hand in hand with American capitalism.**

Of more importance is American control of Canadian monetary policy (c.f. *The Gray Report*, p49, Levitt, *Silent Surrender,* pp 12-13, T.L. Powrie in Rotstein ed., *An Industrial Strategy for Canada*, p. 34). To top it off, Canadian bankers are themselves continentalists, if Leonard Walker, president of the Bank Of Montreal, is typical: "The restrictions on foreign participation in Canadian banks tend, by the application of the concept of reciprocity, to impair the ability of Canadian chartered banks to engage in full scale banking activities in other countries, to the detriment of their ability to provide a full range of services... Canada if it is to prosper and realize Its great potential, must grow outward, not inward.

"All our influence should be thrown behind those world forces that are moving

toward a more liberal international economic order. But there is no way our influence can be felt in this direction if we adopt a restrictive and narrowly nationalistic approach to international trade and investment" (Cited in an unpublished paper by W. Secum, *The Bourgeois Class in Canada).*

The Canadian capitalist class as a whole has welcomed these developments and ostracized its dissidents. There are at least two reasons for this. First, their traditional strongholds have either not been challenged by American corporations (...) or they have been unwilling to imitate Sisyphus and push down the tariff to invite an American exit only to compete on an open North American market. They are forced to at least tolerate Canadian-based American competition. Second, they cannot hope to compete with American multinationals on the basis of market access or control, not to mention production costs, (c.f. *Gray Report*, chapter 24).

This potentially bitter pill has been made palatable by handsomely priced mergers and purchases. Porter has noted in *The Vertical Mosaic* that a uniquely small number of Canadian capitalists control Canadian industry, giving them far greater say than large American capitalists in the U.S. This, coupled with their enjoyment of profitable takeovers allows national loyalty to be lightly discarded *(emphasis by the web editors.)* Discussing Power Corporation's sale of Canadian Oil Companies Ltd. to foreigners, in 1962, he notes: "In this respect there is little difference between Old Canadian families, investment syndicates, or small stock-holders" (p.259).

When we couple this with the fact that dissident representatives of the bourgeoisie are in reality what Cy Gonick *(editorial board of* Canadian Dimension) calls activist rather than passivist continentalist seeking elbow room rather than a clash, it is easy to under stand why the merger of the Canadian and American capitalist class in the Canadian subsidiary has taken place smoothly. **The continuity in the history of the Canadian bourgeoisie is amazing. From the days of fur, through the days of wheat and timber to the days of oil, gas and computers, they have been content to link their fate with one or another powerful bourgeoisie** *(emphasis by the web editors.)*

4. The American imperialist domination of Canada in cooperation with Canadian capitalists has had a number of profound implications for the workings of the Canadian economy. Focusing on the behaviour of American branch plants in Canada, bourgeois economists like Safarian (*Foreign Ownership in Canada*, c.f. also MacDonald in P. Russell, *Nationalism in Canada*) are proud to demonstrate little significant difference between American and Canadian capital. When crucial factors (i.e. size) are held constant, American Capital acts like Canadian capital acts like capital acts like Marx said it would. The limited insights that can be gained from this perspective are clear when we remember that American capital acts like French capital acts like Vietnamese capital acts like Bolivian capital acts like capital acts like Marx said it would. **The question is not to be answered in the bourgeois "economics of the firm" but the Marxist political economy of imperialism, not in performance but in structure** *(emphasis by the web editors.)*

The analysis put forward by the new, social democratic or Stalinist left has also been weak. The concept of Canada as a colony is a perversion of classical Marxist political economy. Canada has completed the historic tasks of the bourgeois democratic revolution and no instances of pre-capitalist formations exist. Precisely because of the American presence, Canada's economy is a highly diversified, highly technological one (c.f. H. Aitken, *American Capital and Canadian Resources*, p. 114. ff).

This is in substantial contrast with the description given by (Ernest) Mandel of

classical imperialist industrialization of the colonial world. "There is no cumulative growth, no diffusion of industrial techniques to increasingly large sectors of the economy, no increase in autonomy of economic policy, and so on" ("Imperialism and National Bourgeoisie in Latin America," *International,* vol.1 no. 5).

Canada suffers no significant objective or subjective features of colonialism *(emphasis by the web editors.)*

Similarly, Canada is not about to become a hinterland. The existence of many branch plants is rooted in the capacity of Canada as a market and the predominance of staples in Canadian exports is largely rooted in economic geography and locational advantage. (This should not however be construed as a denial of the possibility of short term fluctuations due to the U.S. balance of payments problem, and industrial incentives in DISC which may be a factor urging U.S. subsidiaries to relocate in the U.S.)

The Canadian political economy fulfils the major requirements of Lenin's or Mandel's definition of imperialism. At the same time it is penetrated deeply by American imperialism. It would thus seem to warrant the term imperialized imperialism *(Ernest Mandel's evaluation in Toronto speech -see W2 1973a --ed.)*

This imposes a number of strains and distortions on the Canadian economy. These are most visible around problems of extraterritoriality, (American law governing American subsidiaries i.e. in trade matters), a problem which almost all Canadian and American capitalists are willing to admit. It is also reflected in the abnormally small (1.5% of GNP) amount of R & D (Research and Development) carried on in Canada (c.f. the *Lamontagne Report*; O.M. Solandt in Rotstein ed. *An Industrial Strategy....*; and A. Cordell, "The Multinational Firm, Foreign Direct Investment and Canadian Science Policy," *Last Post* January 1973). It may be reflected in large and increasing commodity imports within MNE's, which distorts balance of payments (c.f. *Gray Report* pp 206, 208; Rotstein, *Independence* p. 29; W. Pope, *The Elephant and the Mouse*, p.. 40). "Canada is one of the major debtor nations in the world," a recent government study began. "Canada's net international indebtedness has been increasing at an annual rate of 4 percent since the mid-1920s and reached $28 billion by the end of last year", the study states *(Globe and Mail*, December 3, 1971). **Certainly it is reflected in oligopolization (high level monopolization) of the Canadian economy. "In almost every sector of Canadian industry where there is a significant degree of non-resident investment, the average size of enterprises controlled outside Canada is considerably larger than their Canadian counterparts",** claim Brecher and Reesman *(Canada-United States Economic Relations*, p 278; c.f. also tables in *Dual Loyalty* pp. 12 -13 and DBS, *Canadian Balance of iiternational Payments 1961 and 1962*, statement 39; (Hymer in Kindleberger, *op. cit*.)

5. **If we hold to the orthodox Marxist definition of the state, the nature of this economic relation is bound to be mirrored in the state. "The radius of action of the bourgeois state must conform to that of the productive forces and relations of production", writes Mandel (*Europe versus America*, p. 55). On the other side of the class fence, George Ball, formerly of the U.S. State Department writes in *The Discipline of Power*: "Sooner or later, commercial imperatives will bring about free movement of all goods back and forth across our long border. When that occurs, or even before it does, it will become unmistakeably clear that countries with economies so inextricably intertwined must also have free movement of the other vital factors of production -- capital, services, labour. The result will inevitably be substantial economic integration, which will require for its full realization a progressively expanding area of common political decision."**

Indications that this process is well underway are everywhere. It is certainly reflected in the role of the Canadian state in Vietnam where the Canadian bourgeoisie is linked to the American in the I.C.C. *(the "International Control Commission," in which Canada supposedly aids in overseeing all military conduct!--Web ed.)* and sales of war material (cf Rae Murphy ed., *Last Post* Anthology on "Workings of a Branch Plant Economy.") Certainly it is reflected in the position of bourgeois politicians, most of whom have served as agents or apologists of American imperialist exploitation of Canada. Certainly it is reflected in Canadian tariff, monetary and anti-combines policy.

It is even reflected in cases of conflict between the Canadian and American bourgeoisie where the state has either acted as a mediator **(c.f**. Mercantile affair in *Gordon to Watkins to You)* or has acquiesced to American capital. (The case of *Readers Digest* and *Time* is an interesting one. Despite recommendations from a Royal Commission led by prominent publisher G. O'Leary and early desires of Canadian magazines like *Macleans* and *Saturday Night*, tax advantages were not removed from *Digest* or *Time*. *Saturday Night and Macleans* now kiss the Canadian beaver, subsidized by ads from *Time* and its agents and are aquiescent in their continued domination of the Canadian magazine market).

Close collaboration with the Canadian state is certainly counted on by oil interests. Some students of Imperial Oil note: "New discoveries and new competitive sources of crude supply represent commercial risks that continually confront the petroleum industry. On the other hand, environmental change imposed by actions or potential actions of governments has become the most difficult factor in investment decisions.

"The oil industry is highly capital intensive and large scale pre-investment is involved, as typified by the Arctic where huge sums will be spent before any oil reaches the market. The industry is, therefore, seriously concerned with the investment climate and continuity of regulatory and fiscal policy" (*Dual Loyalty*, p. 122). The fretting of the American state over oil depletion is reflected in the Schultz Report and its belief that "the economic infrastructure of the United States is and can be far more integrated with that of Canada than with the economy of any other country in the western hemisphere" (cited in Laxer, in Rotstein, *Independence*, p. 145).

Can there be any doubt that the essential functions of the state will become integrated to mirror the nature of economic relations? Can there be any doubt that Trudeau will serve in the tradition of Canadian Prime Ministers like Borden or Bennett who were not content to repress workers and Québécois for the delight of the Canadian bourgeoisie, but added to their distinction by nationalizing bankrupt railway systems in order to maintain Canada's international credit position or imposing iron heel rule to reassure potential American investors of the sanctity of capitalist rule in Canada? (c.f. H.B. Neatby, *W.L.M. King*, Vol. 2; and Stevens, *CNR, s*ection on nationalization.)

6. The assessment of Canada as an imperialized imperialism allows us to forecast and understand a number of developments in Canada. As John Lindeman and Donald Armstrong, economic consultants advising the American bourgeoisie put it: "There is often an inadequate awareness on the part of American businessmen of the intensity of Canadian nationalism... Absentee ownership is never popular... but when the owners live in another country and when the total proportion of the resources they own and control is as large as the present control of Canadian industries by Americans,

the consequent resentment and disquiet is bound to become more and more serious" (cited in V.J. Guenther, *American Investment*, p. 22)

This allows us to understand why socialists have had an enormously bigger lever to propagandize around public ownership under workers control in the resource industry than in, say, housing. It allows us to understand why concern over the MacKenzie Basin rapidly led to demands for nationalization.

Concern over American domination of the Basin quickly spread to concern for Métis rights and ecology. Nor is this accidental; any more than an anti-American article in *The Ontario Naturalist*. "It is a survival-oriented point of view. I propose for Canada a thoroughly respectable: form of neo-nationalism which might be described as ecological independence," John Livingston argued (Rotstein ed., *op. cit.* p. 158). For to oppose the destruction of Canadian resources is to oppose American corporations, (This linking of anti-capitalism, anti-industrialism and ecology with nationalism did not start with the MacKenzie Basin or even Amchitka. It dates back to the Group of Seven (c.f. the seldom reproduced work of Harris on Maritime slums, their verbal attacks on urban snobbery and cartoons in Tom Thompson shack in Kleinberg) and further to the "nature poet" Lampman whose poems on "The City", "The Millionaire" and "The Politician" are unknown classics).

In this, as in other respects, "nationalism" comes close to mirroring some of the values of the youth counter culture, in both its strengths and weaknesses. This dimension of nationalism accounts for the higher politicization of the counter culture in Canada than in the U.S. **Some aspects of this are touched on by Kari Levitt: "Yet here there is the possibility that the current reaction among the younger generation against domination by the efficiency-mongers of big business, big government or big anybody may revive the 'conserving' nationalism which derives from the desire to control and shape the conditions of life within a community"** (*Silent Surrender*, p. 152).

An understanding of the real workings of the Canadian economy also allows us to understand why PhDs facing unemployment will point the finger at MNEs (*along with LMUs, a professional term for imperialism -- WR) which center their research in the U.S.

Most important of all, we may expect to find it in the *(working)* class, as in *(prominent Labor leader)* Dennis McDermott's lashing out at faraway American corporations laying off Canadian workers. This is quite natural, considering the realities. As one economist points out: "The western economic system has already registered the tensions emerging from the confrontation between the LMU (Large Multinational Unit) and the nation state. Certain component parts of the LMU, such as labour, have already perceived their greater vulnerability. As the most sedentary factor of production, labour often bears the cost of LMU adjustments". (G. Paquet, *op. cit.,* p. 10).

It is not the task of this contribution to speculate on or forecast the possibilities or depths of this sentiment. It is its task to point out that to deny the relationship between American and Canadian capital is to blind oneself to political reality.

8. In determining our intervention we should be guided by the following principles: (a) promotion of socialism and internationalism; (b) the nature of the Canadian political economy; (c) the political sociology of Canadian nationalism as an

ideology. Since the first can hopefully be assumed and the second is covered, we start with the third.

There are three strands of nationalism which predominate in Canadian history: the nationalism of the bourgeoisie, the nationalism of the declassed — aristocratic petty-bourgeoisie -- and the nationalism of the youth radicalization *(emphasis by the author).*

The nationalism of the Canadian bourgeoisie has played a significant role in Canadian history. Reflecting the ideological bankruptcy of the Canadian bourgeoisie, its vistas are limited by ad mare usque ad mare, ad mare usque ad nauseum, with its closest pretensions to a national, dream being a railroad. While this nationalism has played an insignificant role in any wars Canada has waged (loyalty to empire, anti-fascism and anti-communism have been their highlights) and while it has as yet played no role in the bourgeois attacks on the living standards of workers, it has serviced the bourgeoisie in such ways as undermining the legitimacy of international unions, justifying the tariff, and together with English Canadian chauvinism, in. stirring up hatred for the Québécois. Such a bourgeois nationalism could play a role for the bourgeoisie in defense of the state. The sales of *(best-selling Pierre)* Berton's *National Dream* and the frenzy over Team Canada are some indication of its capacity to influence the masses.

However, to assert that nationalism in the student movement or NDP reflects bourgeois hegemony is to laugh at reality, especially when the Canadian bourgeoisie has specialized in continental apologias. The bourgeoisie is thoroughly reconciled to American imperialism. "In the current controversy over foreign ownership, Canada is trying to fight a battle that is largely over," Donald F. Cornish, president of Anaconda Canada Ltd. of Toronto said yesterday. "Future foreign investment in Canada, other than in the resource and service industries, will largely be by multi-national companies erecting world-scale plants next to a source of raw materials and energy," he told the Board of Trade Club of Metropolitan Toronto. (...) "Based on my own experience, the ultimate test of any Canadian industry is its ability to compete effectively in international markets. If we ignore this tenet in any strategy we may decide to pursue, we will be in trouble, right from the start " (!) *(Globe and Mail).*

The ideology of Canadian bourgeois nationalism, with no symbols, creeds or visions, will have difficulty establishing hegemony over any layers of the radicalization. Far from coming from the bourgeoisie or any split in the bourgeoisie, former Minister of Trade and Development and current Director of the American Growth Fund, Stanley Randall, is at least closer to the truth when he says, it comes from *"armchair socialists, caviar marxists and limousine liberals"'* (cited in *Ontario and Canadian Independence, Policies of the NDP,* p. 3.)

Wringing hands, sipping cocktails and bemoaning the fate of Canada in Massey College will provide better insight into the more dominant strain of Canadian nationalism. Like the European reaction to Americanization in the 1920s analysed by Gramsci ("Fordism", in *Prison Notebooks),* this nationalism rests on a genteel aversion to bigness, mediocrity and impersonality characteristic of preempted sections of the petty bourgeoisie commonly associated with red Toryism. Through the influence of Grant, Creighton and . Horowitz, its influence in the student movement has been profound.

Its origins date back to Stephen Leacock, to the original George Grant -- who penned the attack on Goldwin Smith's continentalism and to Canada First of the 1870s *("Tapping into Orange Protestant outrage over the killing of Thomas Scott – during the Red River Rebellion –*

the movement's leaders stressed the theme of national betrayal..." [Wikipedia –web Ed.) (c.f. for example C. Berger, *The Search for Power*). Implicit in it is anti-capitalism, an anti-capitalism so noble as to be divorced from the concerns of the working people. As they bemoan the unwillingness of the Canadian people to sacrifice their living standards to resist Americanization, they re veal their own inability to integrate vision and dialectical materialism and thereby reveal the philosophical source of hands chapped from wringing.

The main expression of nationalism which our movement is confronted with in the new and social democratic left has been explicitly anti-imperialist. A reading of any major Waffle document *(from the large left-wing nationalist tendency within the NDP 1969-1972 --Web ed.)* is testimony to that. Their hatred for the Canadian bourgeoisie has been inspired and intensified by their awareness of what has happened (see for example introduction and first article on Eatons, in "*Last Post* Anthology," mentioned earlier).

As opposed to the C.I.C. (Committee for Independent Canada), a probe group for the Liberal and Conservative parties, it has viewed the struggle for socialism and independence as inseparable. As opposed to red Toryism, it has been pro-working class and has called on workers to defend rather than deny their class in the struggle against American imperialism. It has been close to the front lines in defending the rights of Métis and Québécois.

It has also, paralleling the vagaries of the youth radicalization, been shot through with a variety of petty bourgeois illusions and notions, outstanding of which are anti-Leninism and a lack of internationalism verging on parochialism. But this is not an outgrowth of nationalism any more than the same features are an outgrowth of nationalism among Afro-American or Québécois militants, pre-occupied with the legitimate fate of their nations. Both relate to the problems of a sectoral radicalization and their susceptibility to petty bourgeois ideology and economist or community organizing strategies. Its problems in short derive from **populism**, the traditional protest ideology of a radicalized heterogenoous petty bourgeoisie in motion.

9. If the political economy of Canada is contradictory — imperialized imperialism -- then this will be reflected in national sentiment. It is important that Marxists recognize the dual character of the sentiment so that they can seize on rather than adapt to or deny its possibilities.

In this respect Lenin was particularly adept. He would scoff at those who are content with easy polarities like "the nationalism of advanced and backward countries." (Québécois nationalism only became progressive under advanced industrialism**.** Previously it was an envelope for social and political reaction). He would turn over in his glass case in Moscow if we as his inheritors ever raised from the gutter the banners of loyalty to the nation state which the bourgeoisie is in the process of. reevaluating. For nationalism is part of the superstructure of bourgeois rule. Nor does Jacobinism have any need to be revived, as Trotsky said over forty years ago.

But Lenin also understood dialectics. He understood that nationalism, like pacifism, like labour parties, like trade unions, like religion were "part of the superstructure and apparatus of bourgeois rule. That is their *function*. He also understood that in particular conjunctures, nation alism, like Christian socialism (i.e. the labour churches in the Winnipeg General Strike, i.e. Riel who called himself "David" after David the saviour, see R. Allen *The Social Passion* and E.J. Hobsbawm, *Primitive Rebels*) **like pacifism, like trade unionism, could be adopted by the masses**

as mechanisms of protest. A Leninist appreciation of the tensions of ideology (false consciousness in the classical Marxist sense) has to take into account the sources as well as the functions of ideology. In Canada the source of that nationalism, its driving force in the radicalized layers we are dealing with, is anti-U.S. imperialism. Its deflection into populist petty bourgeois or bourgeois nationalism is what we are out to destroy.

Our task is to have a rounded appreciation of nationalism in the radicalization. Inasmuch as it is a primitive form of consciousness, it must be combatted as we combat all forms of false consciousness. Inasmuch as it senses the nature of power relationships we should take it forward to socialism and internationalism.

This we will not do by becoming the best builders of the nationalist movement. Nor will we do it by chanting pious platitudes which do not grow out of reality. Internationalism will not come from a struggle against an imaginary, independent, strong, combative bourgeoisie. It will come from the struggle against the North American bourgeoisie of which the Canadian section, armed with its own state, is a powerful component. Our job is to show the global significance of the process that is taking place. This is not only the result of a bilateral interaction between dominant American capitalists and Canada. It is a world capitalist process. And, yes, it will only be defeated by a world revolution.

The specifics of that kind of intervention in the NDP, the trade unions and the sectoral movements will be elaborated in a further document by comrade Peter H. *(Horbatiuk? – no evidence of this document in the archives –Web Ed.)*

But on the general level, we will never teach internationalism or combat the errors of nationalist consciousness or strategy with the false analysis, incorrect projections and piety present in the Political Committee and Revolutionary Communist Tendency documents. We will do it by placing the world socialist revolution on the agenda, in its true context.

February 5, 1973